

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



**CORRECTED
FISCAL NOTE**

HB 1266 - SB 1934

April 5, 2011

SUMMARY OF BILL: Remits seven percent of the five percent commission retained by county registers on tax collections to a special account to be used exclusively to fund county officer educational incentives. Reduces, from 52 to 45, the percentage of the five percent commission that will be credited to the General Fund.

ESTIMATED FISCAL IMPACT:

On March 28, 2011, a corrected fiscal note was issued estimating a fiscal impact as follows:

Increase State Revenue - \$416,800/Special Account

Decrease State Revenue – \$11,000/General Fund

Increase State Expenditures – \$416,800/Special Account

Increase Local Revenue – \$11,000

Due to an incorrect assumption about the total increase to local governments, this impact was in error. Based upon additional information provided by the Department of Treasury, the estimated impact is:

(CORRECTED)

Increase State Revenue - \$416,800/Special Account

Decrease State Revenue – \$11,000/General Fund

Increase State Expenditures – \$416,800/Special Account

Assumptions:

- The total amount remitted to the state will not change. Currently, a total of 52 percent of the 5 percent county register commission is credited to the General Fund.
- Based on information provided by the Department of Revenue, the annual five percent commission to counties was \$5,954,607 in FY09-10. Estimate assumes this amount will remain constant.

HB 1266 - SB 1934 (CORRECTED)

- Designating seven percent of the funds to establish a special account for county official educational incentives will reduce revenue to the general fund by \$416,822 (\$5,954,607 x 7%) and increase revenue to the newly created special account by \$416,822.
- Expenditures to the state special account will increase by \$416,822.
- There is an annual recurring appropriation for county officer education initiative of \$407,300. Annual interest paid for county officer education initiative is \$1,500. The provisions of this bill will have the effect of reducing General Fund revenue by \$11,022 (\$418,322 – \$407,300).
- Based on information provided by the Department of Treasury, educational incentives are paid directly to county officials. As a result, there will be no direct impact to local governments.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

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